November 18, 2020

The Honorable James Danly Chairman Federal Energy Regulatory Commission 888 First Street, NE Washington, D.C. 20426

Dear Chairman Danly:

Thank you for your attention to the difficult challenges facing the electricity grid. Central to those challenges is ensuring that the grid is both reliable and resilient. In January 2018, the Federal Energy Regulatory Commission ("FERC") opened a docket titled, "Grid Reliability and Resilience Pricing and Grid Resilience in Regional Transmission Organizations and Independent System Operators," and we wrote to you on October 30, 2019, urging you to take action to address the issue of electric grid resilience. It appeared that when we sent the letter last October, FERC had not taken any concrete action, and it has still not done enough.

Resilience is a key element of electric reliability, and a key element of a resilient electric supply system is having generation resources that can operate when called upon. Yet across the country, dispatchable generation resources are closing at an alarming rate while FERC waits to act.

Since FERC opened its resilience docket, approximately 37,000 megawatts ("MW") of coal-fueled generation has shut down, and an additional 4,700 MW are expected to retire between now and the end of next year. Likewise, some 9,900 MW of nuclear capacity is expected to close between now and 2025. Collectively, that is roughly enough to power some 37.5 million homes. Natural gas-fueled power plants have closed as well, particularly in California.

The closures of resilient and reliable generation sources have caused serious problems with the grid in several regions of the country. For example, in August, California experienced an energy shortage during a heat wave, with high temperatures extending through the nights. Those shortages have been blamed in part on the high amount of solar energy in the state, and California's energy mix is required to ramp up from 33% renewables today to 60% by 2030.

Further, ISO New England's April 2020 Energy Security compliance filing points to continued energy security problems, which are likely to worsen if natural gas supplies become more

constrained as demand increases and new fuel delivery capacity continues to be blocked.1

The time for action is long overdue. We urge you to revisit this issue and act in an urgent and thorough fashion. To that end, we request that you provide us the following updates on your progress:

- 1. What work has FERC completed on the resilience docket since the spring of 2018, and since our letter of October 30, 2019?
- 2. What are the next steps FERC plans to take to address grid resilience? Is there a timeline for these next steps?
- 3. What has FERC done to define "resilience," incorporating fuel security, so that regions can measure against an agreed upon standard what resources they have and what more they may need?
- 4. What has FERC done to assure that in the absence of an order, the North American Electric Reliability Council, the reliability regions, and the RTOs and ISOs properly define and assess resilience and take any necessary corrective measures?

The reliability and resilience of the electric grid must not be taken lightly. We look forward to working with you on this matter and hearing an update on your work soon.

Sincerely,

David B. McKinley, P.E.

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¹ ISO New England Inc., Compliance Filing of Energy Security Improvements Addressing New England's Energy Security Problems; Docket Nos. EL18-182-000 and ER20-___-000, p. 4.

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